

FREQUENTLY ASKED QUESTIONS

Where's my refund?

For Electronically Filed Returns, the average processing time is 10 to 14 business days; for Paper Returns it may take approximately 8 to 12 weeks.

Prior year/ Amended returns may take up to 4-6 months to process.

Where do I mail my return?

Refunds- Kentucky Department of Revenue, Frankfort, KY 40618-0006

Payments- Kentucky Department of Revenue, Frankfort, KY 40619-0008

How can I get forms and instructions?

Forms and instructions are available:

- Online at www.revenue.ky.gov/forms
- By writing FORMS, Kentucky Department of Revenue, Frankfort, KY 40620
- Call 502-564-3658

Why didn't I receive my state income tax refund through direct deposit as requested on my state return?

There are various reasons why an individual may not receive his/her income tax refund through Direct Deposit even though it was requested on the Kentucky income tax form. If a problem should occur with the Direct Deposit, then the Department will issue a paper check. Below are common reasons:

1. The required 9-digit routing number was incorrect or missing.
2. The designated account number was invalid or the account was closed.
3. An individual's refund may have been intercepted due to money owed to another state agency. In this case the refund would go to the agency owed to satisfy the debt. If the refund is more than the debt the refund balance will be sent in the mail to the taxpayer.
4. There was an error on the return that adjusted the requested refund.

If the taxpayer requested Direct Deposit on their Kentucky state income tax return and did not receive it they should first contact the bank or financial institution to determine if they received the refund credit. Electronic transactions are posted daily, and may not be reflected on their latest bank statement. If the financial institution has no record of the refund, request that Taxpayer Assistance initiate a trace on the refund transaction.

How long does it take to receive my direct deposit state income tax refund?

If there are no errors on the return, direct deposits normally take from 7 – 14 business days to process. Due to bank processing procedures, some returns may take longer.

Can I pay my taxes over the phone?

Yes. We do have an e-pay system that allows us to take electronic payments for the taxpayers.

Can I pay my individual income taxes on line?

You can pay current year individual income tax on line as long as it is paid before the due date of the return. Go to www.revenue.ky.gov. Estimated tax payments cannot be paid on line at this time.

Can I set up a pay /agreement if I am unable to pay the tax in full on my current year return?

Yes. Pay /agreements are handled by the Division of Collections. 564-4921 x 5354.

Do I need to attach my Federal Return when I file the Kentucky Return?

You must attach a complete copy of your federal return if you received farm, business, or rental income or loss.

Can you tell me how to file my federal return or about my federal refund?

We are not able to assist you with the completion of a federal return at this time; you may however contact the IRS at 1-800-829-1040 or www.irs.gov for assistance.

Can I file an injured spouse form?

Kentucky does not recognize the federal injured spouse form. Income tax refunds may be withheld by the department if the taxpayer owes money to the Kentucky Department of Revenue, another state agency or the Internal Revenue Service.

Kentucky law requires the offset of the entire refund if a joint return is filed. **If spouses want to keep their tax liabilities separate, each must file a separate tax form.**

I just received another W2 but I have already filed my return, what do I need to do?

If you have already filed a return and have now received an additional W2, you must file an amended return to correct the original filing. This can not be done electronically; an actual paper amended return must be mailed in.

What is this 1099 G I received from the Department of Revenue?

The Form 1099G is a report of income received from the Kentucky Department of Revenue. The Internal Revenue Service (IRS) requires government agencies to report certain payments made during the year, because these payments may be taxable income for the recipients.

Can a dependent child claim her/himself on her/his Kentucky individual income tax return even though she/he is claimed as a dependent on her/his parents' federal and state income tax returns?

Yes! Kentucky law differs from federal law. Kentucky law permits dependents that are claimed on their parents' tax returns to claim themselves on their Kentucky income tax return.

Is my pension taxable?

You are allowed a pension exclusion of \$41,110. This exclusion is allowed for each taxpayer. If you are retired from federal, state, or local government, then the pension exclusion could exceed the \$41,110. Use Schedule P to compute the allowed pension exclusion if it exceeds \$41,110.

What Insurance Premiums and/or Medicare payments can I exclude on Schedule M?

The only payments you can exclude are:

1. Payments made with taxable dollars (COBRA qualifies)
2. Medicare Type B payments

Payments with pre-tax dollars are not an allowable subtraction.

What is Use Tax? Why is it on the Individual Return?

A 6 percent (6%) use tax may be due if you make out-of-state purchases for storage, use or other consumption in Kentucky and did not pay at least 6 percent state sales tax to the seller at the time of purchase. For example, if you order from catalogs, make purchases through the Internet, or shop outside Kentucky for items such as clothing, shoes, jewelry, cleaning supplies, furniture, computer equipment, software, office supplies, books, souvenirs, exercise equipment or subscribe to magazines, you may owe use tax to Kentucky. It is important to remember that use tax applies only to items purchased outside Kentucky, including another country, which would have been taxed if purchased in Kentucky.

In addition to the use tax line on the sales and use tax returns (Forms 51A102 and 51A103, line 23a) and the consumer's use tax return (Form 51A113) for businesses, other options exist for individuals to report their use tax, such as:

1. Consumer Use Tax Return - Form 51A113(O) (9K), may be filed during the year each time you make taxable purchases; or
2. You can report and pay use tax on an annual basis at the same time you file your Kentucky individual income tax return.
3. Collection of use tax is required by county clerks on tangible personal property purchased out-of-state and offered for titling or first-time registration in Kentucky.

Credit Against the Kentucky Use Tax Due - You may reduce or eliminate the amount of Kentucky use tax due by the amount of a different state sales tax paid on the same property to the out-of-state seller. The reduction may not exceed the amount of Kentucky use tax due on the purchase. For example, if Georgia state sales tax of 4 percent is paid, only the additional 2 percent is due to Kentucky, or if Illinois state sales tax of 6.25 percent is paid, no additional Kentucky use tax is due. - Sales tax paid to a city, county or country cannot be used as a credit against the Kentucky use tax due.

What is a Fiduciary?

The term fiduciary applies to a person who occupies a position of special confidence toward another, who holds in trust property in which another person has the beneficial title or interest, or who receives and controls income of another (*per the 2008 U.S. Master Tax Guide*)

Kentucky Filing Requirements

- **Every estate with gross income for the taxable year of \$1,200 or over; and**
- **Every trust with gross income for the taxable year of \$100 or over must file a fiduciary return.**